

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS
PEORIA DIVISION

UNITED STATES OF AMERICA

Criminal No:

vs.

Filed: [7/31/95]

SWISS VALLEY FARMS
COMPANY, INC. and
JOSEPH GAU,

Defendants. Violation: 15 U.S.C. § 1

INFORMATION

The United States of America, acting through its attorneys,
charges:

I

DESCRIPTION OF THE OFFENSE

1. Swiss Valley Farms Company, Inc. and Joseph Gau are
hereby made defendants on the charge stated below.

2. The defendants and co-conspirators entered into and
engaged in a combination and conspiracy to suppress and eliminate
competition by rigging bids submitted for the award and
performance of contracts to supply dairy products to certain
public school districts in western Illinois and eastern Iowa.
The charged conspiracy began at least as early as 1986 and
continued to include contracts to sell dairy products to school
districts for the 1989-1990 school year, the exact dates being
unknown to the United States. The combination and conspiracy,
engaged in by the defendants and their co-conspirators in

unreasonable restraint of interstate trade and commerce, violated Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and their co-conspirators, the substantial terms of which were:

- (a) to allocate among the corporate co-conspirators contracts with certain public school districts in western Illinois and eastern Iowa for the supply of dairy products to those institutions;
- (b) to refrain from submitting bids or to submit collusive, noncompetitive, and rigged bids to certain public school districts in western Illinois and eastern Iowa for the supply of dairy products to those institutions; and
- (c) to have the designated corporate co-conspirators supply dairy products to certain public school districts in western Illinois and eastern Iowa at noncompetitive prices.

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendants and co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) discussing among themselves the submission of prospective bids to certain public school districts in western Illinois and eastern Iowa;

- (b) designating which corporate co-conspirator would be the low, responsive bidder for contracts to supply dairy products to certain public school districts in western Illinois and eastern Iowa;
- (c) refraining from bidding, or submitting intentionally high, complementary bids for contracts to supply dairy products to certain public school districts in western Illinois and eastern Iowa; and
- (d) having the designated corporate co-conspirators supply dairy products to certain public school districts in western Illinois and eastern Iowa and receive compensation therefore.

II

DEFENDANTS AND CO-CONSPIRATORS

5. Defendant Swiss Valley Farms Company, Inc. is a corporation organized and existing under the laws of the state of Illinois and has its corporate headquarters in Mount Joy, Iowa. During the period covered by this Information, Swiss Valley Farms Company, Inc. was engaged in the sale and distribution of dairy products in various locations within the states of Illinois and Iowa.

6. Defendant Joseph Gau was engaged in the sale and distribution of dairy products in Illinois and Iowa in his capacity as a manager of defendant Swiss Valley Farms Company, Inc. in Eldridge, Iowa during all or part of the period covered by this Information.

7. Various persons, not made defendants in this Information, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance of it.

8. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III

TRADE AND COMMERCE

9. During the period covered by this Information, the Federal Government partially subsidized the purchase of public school meals in western Illinois and eastern Iowa for the purpose of helping to provide nutrition to children. These subsidized meals included dairy products which are the subject of the conspiracy charged in this Information. Because of these subsidies, a continuous and uninterrupted flow of a substantial amount of federal funds crossed state lines into the states of Illinois and Iowa.

10. The business activities of the defendants and co-conspirators that are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.

IV

JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Information was carried out, in part, in Knox County, in Rock Island County, in

Champaign County and in Sangamon County in the Central District of Illinois, and elsewhere, and the filing of this Information is not barred by the statute of limitations.

ALL IN VIOLATION OF TITLE 15 U.S.C. SECTION 1

Dated:

_____/s/_____
JOEL I. KLEIN
Acting Assistant Attorney General
Antitrust Division

_____/s/_____
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